

Task 10# 4345

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Carrestre

Wayne P.O. Box 540700

900 North Redwood Road

North Salt Lake, Utah 84054-0700

(801) 292-7161

August 30, 2011

Mr. Paul Baker Mining Program Manager Department of Natural Resources State of Utah Division of Oil Gas and Mining P.O. Box 145801 Salt Lake City, UT 84114-5801

Subject:

Revised Surety Calculations - Lakeview Rock Products Inc., Thomas

Pit, M/011/002, Davis County, Utah

Dear Mr. Baker;

Attached please find revised surety calculations and our request for an amendment to the NOI as requested in your letter dated April 21, 2011.

Please feel free to give me a call if you have any questions.

Sincerely,

Lakeview Rock Products, Inc.

John Burggraf Vice-President

cc:

Scott Hughes Kevin Watkins

RECEIVED

AUG 3 1 2011

DIV. OF OIL, GAS & MINING

m0110002 Task 10# 4345 ecitestie Wayne

Form MR-REV-att (DOGM - Revise/Amend Change Form) (Revised September 14, 2005)

Application for Mineral Mine Plan Revision or Amendment

| Mine Nan | ne: Thomas | s Pit | File Number: M/011/0002 |
|-------------------|-----------------------------|------------------------|--|
| Provide a detaile | d listing of all cha | nges to the minir | ng and reclamation plan that will be required as a result of this change. Individually list all |
| naps and drawin | ngs that are to be ad | lded, replaced, or rer | noved from the plan. Include changes of the table Of contents, section Of the plan, |
| | | | ate, identify and revise or amend the existing Mining and Reclamation Plan. Include,: |
| | | ers as part of the o | lescription: |
| | E = 2" 1800 | Di | ETAILED SCHEDULE OF CHANGES TO THE MINING AND RECLAMATION PLAN |
| | | | DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED |
| □ ADD | REPLACE | • □ REMOVE | Surety Calculation Worksheets |
| □ ADD | □ REPLACE | □ REMOVE | |
| □ ADD | q REPLACE | □ REMOVE | |
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reference to commitments and obligations, herein.

Return to:

State of Utah Department of Natural Division of Oil, Gas and Mining .

1594 West North Temple, Suite 1210 Box 145801.

Salt Lake City, Utah 84114-5801

Phone: (801) 538-5291 Fax: (801) 359-3940

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FOR DOGM USE

File #: M/ /_

Approved:

Bond Adjustment: from (\$)

Bonding Calculations

Direct Costs

| Subtotal Demolition and Removal | \$30,433.00 | |
|--|-----------------------|-------|
| Subtotal Backfilling and Grading (Earth workbook) | \$24,271.00 | |
| Subtotal Revegetation | \$41,972.00 | |
| Direct Costs | \$96,676.00 | |
| Indirect Costs | | |
| Mob/Demob | \$9,668.00 | 10.0% |
| Contingency | \$4,834.00 | 5.0% |
| Engineering Redesign | \$2,417.00 | 2.5% |
| Main Office Expense | \$6,574.00 | 6.8% |
| Project Management Fee | \$2,417.00 | 2.5% |
| Subtotal Indirect Costs | \$25,910.00 | 26.8% |
| Total Cost 2011 | \$122,586.00 | |
| Number of years | | 5 |
| Escalation factor | | 0.017 |
| Escalation | \$10,780.00 | |
| Reclamation Cost Escalated | \$133,366.00 | |
| Bond Amount (rounded to nearest \$1,000) 2016 Dollars | \$133,000.00 | |
| Posted Bond | \$142,000.00 | |
| Difference Between Cost Estimate and Bond Percent Difference | -\$9,000.00 -6.34% | |
| | | |

| Ref | Description | Means Ref | | | | | | | Quantity | Units | Production Rate | Units | | Units | Cost |
|-----|--|------------------|--|---|---------|-------------|------------|-------------|----------|-------|--------------------|--------|----------|-------------|-----------------|
| | | | | | | | | | | | | | \$/sq yd | | |
| 9.2 | Pit Floor Regrade | 31 22 16 10 3300 | | | | | | | 21 | ac | | | 0.18 | sq yd | \$ 18,295.20 |
| | Safety Berm (12' wide 4' high top of highwall) | Work Complete | | 9 | | | | | | | | | | | |
| | | | | | | depth (ft) | length(ft) | width (ft) | | | | | \$/cu yd | | |
| | Remove Topsoil under Safety Berm | 31 23 16 42 0300 | | | | 0.5 | 3500 | 24 | 1556 | cu yd | | | 1.62 | Long All St | \$ 2,520.00 |
| | Replace Topsoil over Safety Berm | 31 23 16 42 0300 | | | | 0.5 | 3500 | 24 | 1556 | cu yd | | | 1.62 | | \$ 2,520.00 |
| | | | | | # berms | lin ft/berm | | sqft/lin ft | | | | | \$/cu yd | | |
| 9.5 | Bench Berm Construction | 31 23 16 42 0360 | | | 1 | 0 30 | 300 | 24 | 267 | cu yd | | | 3.51 | cu yd | \$ 936.00 |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | EARTHWOR | K SUBT | OTAL | | \$ 24,271.00 |

| Ref. | Description | Materials | Means Reference Number | Unit Cost | Unit | | | Co | ost |
|--------------|------------------------------------|-----------|------------------------------|--------------|--------|----------|--------------|----|-----------------------|
| | | | | | | hrs/ac | acres | | |
| 9.6 | Site cleanup and trash removal | | p.677 com bldg laborers | 52.70 | \$/hr | | 2 15 | \$ | 1,581.00 |
| | | | | 100 | | hrs/da | # days | | |
| 9.6 | Trucking of conveyors removal, etc | tractor | 01 54 33 40 7610 | 346.80 | \$/day | | 10 | \$ | 3,468.00 |
| ROMES | | trailer | 01 54 33 50 4901 | 219.20 | \$/day | | 10 | \$ | 2,192.00 |
| The state of | | driver | Means 2011 pg 677 | 69.45 | \$/hr | | 8 10 | \$ | 5,556.00 |
| | | crane | 01 54 33 60 2600 | 1208 | \$/day | | 10 | \$ | 12,080.00 |
| | | driver | Means 2011 pg 677 | 69.45 | \$/hr | | 8 10 | \$ | 12,080.00 5,556.00 |
| | | | | | | Subtotal | | \$ | 28,852.00 |
| | | 9 9.774. | | | | | | | |
| | | | | | | DEMOLIT | ION SUBTOTAL | \$ | 30,433.00 |
| | | | | 1 38.75.5 | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
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| | | | | | | | | | |
| | | | | | | | | | |
| Control of | | | | | | | | | |
| | | | | | | | | \$ | 30,433.00 |

| Description Ref. | Materials | Means Reference Number | Unit Cost | Unit | Length | | | | | | | | | | Quantity | Unit | Cos | st |
|---|-----------------------|---|--------------|------------------------|--------|-----|---|---|-----|---|---|----|------------|-------------|----------|-----------|-----|------------------|
| 9.1 Gates and Signs | This task is complete | | | | | | | | | | | | | | | | | |
| 9.7 Install Fencing (East side only) | | 32 31 26.20 0210 | 0.147 | \$/lin ft | 1300 | | | | | | | | | | | | \$ | 191.1 |
| 9.8 Revegetate Safety Berm | This task is complete | | | | | | | | | | | 33 | | | | | | |
| 9.9 Revegetate 5 Benches | | | | | | | | | | | | | | | | | | |
| Scarify the benches | | 32 91 13.23 3200 | | \$/1000 sq ft | | | | _ | | | | | | | | acres | \$ | 1,160.4 |
| Seed mix cost Seed application cost | | Granite Seed quote* 32 92 19.14 0100 | | \$/ac \$/1000 sq ft | | | | | | | | | | | | acres | \$ | 384.0 2,299.9 |
| 9.10 Pit Floor Revegetation | | | | | | | | | | | | | | | | | | |
| Scarify pit floor | | 32 91 13.23 3200 | | \$/1000 sq ft | | 1 | | | | | | | The second | | | acres | \$ | 5,076.9 |
| mulch mix cost | | Oquirrh Mt. quote ** | 256.62 | | | | | | | | | | | | | acres | \$ | 5,389.0 |
| mulch application cost | | 32 92 19.14 0100 | 11.00 | \$/1000 sq ft | | | - | | | 4 | | | | | | acres | | |
| Seed mix cost Seed application cost | | Granite Seed quote 32 92 19.14 0100 | 83.50 | \$/ac \$/1000 sq ft | | | | | | | | | | | | acres | \$ | 1,753. |
| Seed application cost | | 32 92 19.14 0100 | 11.00 | \$/1000 sq it | | - | - | - | - | - | | | # samples | | | acres | 4 | 10,002. |
| Sampling | | foreman Means p. 677 | 71.20 | \$/sample | | | | | | | | | # Samples | 3 | 510 | \$/sample | \$ | 3,487. |
| 9.11 Revegetate Upper access road | | | | | | | | | | | | | | | | | | |
| Scarify the road | | 32 91 13.23 3200 | | \$/1000 sq ft | | | | | | | | | | | | acres | \$ | 3.3 |
| Seed mix cost | | Granite Seed quote | 115.50 | \$/ac | | | | | | | | | | | | acres | \$ | 69.3 |
| Seed application cost | | 32 92 19.14 0100 | 11.00 | \$/1000 sq ft | - | - | - | _ | _ | - | | | - | | 0.0 | acres | \$ | 6.0 |
| 9.12 Revegetation- Switch back road and driveways | | | | - | | - | | | - | - | | | length(ft) | soft/lin ft | | | - | |
| Regrade switchback road | | 31 23 16.42 0200 | 2 22 | \$/cu yd | | | | | | | | | 405 | | | cu yd | \$ | 1,948. |
| Seed mix cost - switchback road | | Granite Seed quote | 115.50 | | | | | | | | 1 | | | | 0.2 | acres | \$ | 23. |
| Seed application cost- switchback road | | 32 92 19.14 0100 | 11.00 | \$/1000 sq ft | | 100 | | | | | | | | | | acres | \$ | 2.: |
| Scarify driveways | | 32 91 13.23 3200 | 5.55 | \$/1000 sq ft | | | | 1 | | | | | | | | acres | \$ | 2.2 |
| Seed mix cost - driveways | | Granite Seed quote | 115.50 | \$/ac | | | | | | | | | | | | acres | \$ | 46. |
| Seed application cost- driveways | | 32 92 19.14 0100 | 11.00 | \$/1000 sq ft | | | | | | | | | | | 0.4 | acres | \$ | 4. |
| | | | | | | | | | 2 3 | | | | | | | | | |
| Subtotal | | | | | | | | | | | | | | | | | S | 41,972.0 |
| - Catholia | | | | | | | | | | | | | | | | | Ψ | 11,312. |
| | | | | | | | | | | | | | | | | | | |
| Subtotal | | | | | | | | | | | | | | | | | S | 41,972. |
| | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | \$ | 41,972. |

^{*} Granite seed quote from August 2011.

^{**} Oquirrh Mountain Compost Products - 800 West Central Valley Road, Salt Lake City, UT 84119. Pirce and CY/Ton figure quoted August 24, 2011.

At \$275 per 15 CY load, delivered, per-acre price, applied at 5 Ton/ac, is: 5 Ton/ac * 2.8 CY of composted mulch/Ton = 14 CY/ac * \$18.33/CY = \$256.62/ac.